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UNCLAS DAMASCUS 006397

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: [ETRD](#) [EAGR](#) [SYAI](#)

SUBJECT: SYRIA'S AI-RELATED IMPORT RESTRICTIONS ON POULTRY

REF: A) SECSTATE 216147 B) DAMASCUS 6129

11. (SBU) Summary: The AI-related trade ban on all poultry imports into Syria, which expires next week, has not impacted poultry consumption and prices as much as has the Syrian population's fear and uncertainty of the exact nature of the threat posed by avian influenza. In the past two months, the live-weight selling price of poultry has dropped approximately 50 percent and Syrian producers are currently operating at a substantial loss. Though Syria does not import U.S. poultry products, an extension of the trade ban could affect transit trade of poultry products to Iraq from countries like Lebanon and Turkey. End summary.

12. (SBU) Ref A requested information regarding changes in market demand for poultry products and updates on any AI-related trade restrictions in Syria. Syria's Ministry of Agriculture placed a two-month trade ban on all live, raw, and frozen poultry imports from all countries that will expire on December 16 (ref B). Local producers do not expect that the ban will be extended and have commented that the SARG may allow pen-stock and grandparent birds, from NAI countries, into Syria before the end of this week. The Ministry of Health, however, had indicated that the ban could be extended on a monthly basis.

13. (U) With over 10,000 registered and unregistered broiler and layer chicken farms in Syria, the country is self-sufficient in poultry and egg production and is a net exporter of certain poultry products to neighboring countries. Thus, the trade ban itself has not impacted the overall consumption and domestic prices of poultry. On the other hand, fear and uncertainty about the nature and severity of avian influenza in humans as well as AI-related media hype have had a drastic negative impact on poultry prices in Syria since early October. At the beginning of Ramadan in October, a month during which poultry producers normally realize high profit margins, live-weight poultry prices averaged 55 SP/kg (one USD/kg). Within two weeks the price had dropped to 35 SP/kg, and after a month it had fallen to its current selling price of 24 SP/kg.

14. (SBU) With poultry production costs ranging from 42 to 50 SP/kg, poultry producers' cash flows are ebbing. One Syrian poultry farmer estimates that the AI-related loss to Syrian producers ranges from 100 - 250 million SP/day (1.75 to 4.3 million USD/day). However, the eleven government-owned poultry production facilities operated under the General Organization for Poultry (Ministry of Agriculture) are not facing comparable losses, as they have a contractual agreement to sell broiler chickens to the Syrian military at an average price of 60 SP/kg. Though most Syrian poultry producers are operating at a loss, they remain optimistic that selling prices will increase and thus continue at current production rates to ensure sizable future flocks.

15. (SBU) Though the U.S. does not export poultry products to Syria, it is possible that a continued ban on all live, raw, and frozen poultry into Syria could hinder transit shipments to neighboring countries like Iraq. Syria does not have freezing and cold-storage facilities in the ports of Tartous or Lattakia and could not serve as a major transit point for poultry shipments. However in recent weeks a poultry supplier sought to ship poultry to Iraq from a port in Turkey via Syria, and post believes suppliers in Lebanon could pursue similar transit routes in the future.

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